

## Grants Activities Reports

Tab 3

### Background:

Grants Management Staff will review these reports:

- **Independent Audit Status Report** — summarizes the status of desk reviews of annual independent audits submitted to grantees.
- **Grants Monitoring Exceptions Report** — summarizes concerns noted by TCDD Grants Management staff in their ongoing monitoring activities, and the status of resolving those concerns.
- **Grants Risk Assessment of TCDD Projects & Quarterly Update Report** — summarizes the risk assessment matrix for considerations of continuation grant awards and provides more detail about monitoring activities for all TCDD funded projects. This format now includes any concerns identified by grants staff from ongoing monitoring of projects.

### Executive Committee — Agenda Item 7

#### **Expected Action:**

The Executive Committee will review the information provided and may provide guidance to staff.

### Council — Agenda Item 12. B

#### **Expected Action:**

The Council will receive a report on the Executive Committee discussion.

## Texas Council for Developmental Disabilities Independent Audit Status Report

Grantee	Fiscal Year End	Date Received	Audit Firm	Exceptions Noted	Recommendations/Resolutions
Any Baby Can of San Antonio, Inc	6/30/2015	12/10/2015	BDO USA, LLP	None.	None/Done.
Community Healthcore	8/31/2015	2/2/2016	Henry & Peters	From our review of Type A programs in 2015 fiscal year, we noted that VA Supportive Services for Veteran Families Program (CFDA 64.033) was a Type A program that should have been considered a high-risk program and audited as a major program in 2015 fiscal year since it was not audited as a major program in either 2013 or 2014 fiscal year.	The auditors should audit the excluded program and reissue the Report to correct the deficiency. TCDD CPA approved the re-issuance of the audit report on 3/8/16.
Imagine Enterprises Inc	12/31/2015	9/15/2016	Bennoch & Walker, LLC5	None.	None.
Imagine Enterprises Inc	12/31/2014	2/18/2016	Bennoch & Walker, LLC5	None.	None/Done.

Key: Audits were submitted to TCDD during the fiscal year (October 1, 2015 to September 30, 2016). Independent Audit Reports are due not later than nine months after the end of the grantee's fiscal year(s) for which an audit is performed. This document includes audits that were received after the due date, but during the fiscal year.

Monday, October 10, 2016

<b>Grantee</b>	<b>Fiscal Year End</b>	<b>Date Received</b>	<b>Audit Firm</b>	<b>Exceptions Noted</b>	<b>Recommendations/Resolutions</b>
Region 17 ESC	8/31/2015	1/4/2016	Bolinger, Segars, Gilbert & Moss, LLP	In the “Summary of Auditors’ Results” section of the Schedule of Findings and Questioned Costs, the auditors described the results of their audits of the financial statements and compliance for major programs as Unqualified. The results of the audits should have been described as Unmodified. A copy of the revised audit was submitted to TCDD's CPA.	Grantee auditor should revise the audit report and resubmit it. Audit corrected by grantee auditor and accepted by TCDD audit desk reviewer, Abi Bankole.
Texas A&M University	8/31/2015	2/4/2016	State Auditor's Office	None.	None/Done
Texas State Independent Living Council	8/31/2015	8/5/2016	Montemayor Hill Britton & Bender PC	None.	None.
Texas State Independent Living Council	8/31/2014	10/26/2015	Montemayor Hill Britton & Bender PC	None.	None/Done.
Texas Tech University	8/31/2014	10/31/2015	State of TX	None.	None/Done.

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<b>Grantee</b>	<b>Fiscal Year End</b>	<b>Date Received</b>	<b>Audit Firm</b>	<b>Exceptions Noted</b>	<b>Recommendations/Resolutions</b>
Texas Tech University	8/31/2013	10/31/2015	State of TX	None.	None/Done.
Volar Center for Independent Living	9/30/2014	6/14/2016	White plus Samaniego plus Campbell, LLP	None.	Forward for desk review.
Volar Center for Independent Living	9/30/2013	6/14/2016	White plus Samaniego plus Campbell, LLP	None.	Forward for desk review.

Key: Audits were submitted to TCDD during the fiscal year (October 1, 2015 to September 30, 2016). Independent Audit Reports are due not later than nine months after the end of the grantee's fiscal year(s) for which an audit is performed. This document includes audits that were received after the due date, but during the fiscal year.

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## Grants Monitoring Exceptions Report

Grantee Project Title	Type of Onsite	Date of Onsite	Actions Required from Onsite Review	Corrective Actions	Status
<b>Reaching Families Advocacy and Support Group</b> (Culturally Appropriate Family Support Group)	Initial	4/21/16	Documentation for affirmative action and civil rights procedures; building standards for ADA requirements; federal regulations policies for individuals with DD; written procedures for purchase / procurement of goods; PAR's with required signatures and correct percentages of time; independent audit report; fiscal control procedures; verification of accrual basis accounting; project related costs for travel; service agreements/contracts; photocopy logs; equipment inventory list; lease space agreement; utility costs; and, all match costs.	Documentation requested: 3/18/16 Documents due: 4/21/16 Additional follow-up information requested: 4/28/16, 5/31/16 Documents received: 4/28/16, 4/29/16, 5/2/16, 5/27/16, 7/28/16	Complete
<b>National Disability Institute</b> (Employment)	Initial	8/31/16	Documentation on PAR's of TCDD duties performed; fiscal control procedures; travel reimbursement invoiced for new grantee orientation; service agreements/contracts for consultant for in approved budget; equipment purchase list; and, documentation for match costs.	Documentation requested: 7/19/16 Documents due: 8/31/16 Additional follow-up information requested: 9/20/16 Documents received:	Pending

Grantee Project Title	Type of Onsite	Date of Onsite	Actions Required from Onsite Review	Corrective Actions	Status
<b>Texas Statewide Independent Living Council</b> (Accessible Transportation Summits)	Initial	7/19/16	Facility accessibility checklist for summit venue; supervisor signature for PAR's for Regina Blye; evidence of revised flyers including TCDD funding credit; service agreement for Texas A&M Transportation Institute; and, documentation that PAC committee meeting log reflects correct allowable rate for PAC meetings.	Documentation requested: 7/11/16 Documents due: 7/19/16 Additional follow-up information requested: 7/20/16 Documents received: 7/20/16, 7/25/16	Pending

Date Revised: 10/10/16

1) Audit due within 9-months after the end of the budget period.

## RISK ASSESSMENT OF TCDD PROJECTS QUARTERLY UPDATE NOVEMBER 2016

Number	Grantee	TCDD Fund Amount	Other Federal Fund Amount	Date of Last Onsite	Next Onsite Due By	Risk Activity	Risk Code
1.	Region 17 ESC (FIS)	\$300,000	\$1,687,806	11/13/15	2016	2	Extensive Risk
2.	Epilepsy Foundation of Texas (Health and Fitness)	\$250,000	\$390,600	5/27/16	2017	2	Extensive Risk
3.	Texas State Independent Living Council (Health and Fitness)	\$238,000	\$395,083	4/29/16	2017	2	Extensive Risk
4.	DARS (Higher Education)	\$225,000	\$488 million	12/15/15	2016	2	Extensive Risk
5.	Educational Programs Inspiring Communities, Inc. (Enabling Technology)	\$225,000	\$200,000	12/3/15	2016	2	Extensive Risk
6.	Code Blue: Texas A&M University (Higher Education)	\$225,000	\$244 million	9/22/15	2016	2,3	Extensive Risk
7.	Texas Tech University (Higher Education)	\$225,000	\$35 million	11/12/15	2016	2,3	Extensive Risk
8.	Strategic Education Solutions, LLC (Enabling Technology)	\$224,925	\$0	11/30/15	2016	2	Extensive Risk
9.	National Disability Institute (Understanding Employment Options and Supports)	\$150,000	\$2,481,931 million	Does not apply	2017	1, 2, 7	Extensive Risk
10.	Any Baby Can (Health and Fitness)	\$174,887	\$0	12/10/14	2016	2	Considerable Risk
11.	Texas Tech University (Project SEARCH)	\$174,346	\$35 million	10/1/2014	2016	2,3	Considerable Risk

Number	Grantee	TCDD Fund Amount	Other Federal Fund Amount	Date of Last Onsite	Next Onsite Due By	Risk Activity	Risk Code
12.	Volar Center for Independent Living (BC3)	\$150,000	\$203,823	4/29/2015	2017	2	Considerable Risk
13.	Code Blue: Sabine Valley Regional MHMR Center (dba Community Healthcore) (BC3)	\$139,440	\$4,663,336	2/11/2015	2017	2, 3, 5	Considerable Risk
14.	Imagine Enterprises (Project SPEAK)	\$125,000	\$725,000	12/3/15	Does not apply	2	Considerable Risk
15.	VSA Arts of Texas (Self-Advocates as Speakers)	\$125,000	\$10,000	10/26/15	Does not apply	2	Considerable Risk
16.	Code Blue: Texas Advocates (Self-Advocates Grassroots Community Organizing)	\$100,000	\$0	7/13/2015	2017	2, 5	Considerable Risk
17.	Texas State Independent Living Council (Accessible Transportation Summits)	\$150,000	\$520,587	Does not apply	To be determined	2	Considerable Risk
18.	Light and Salt Association (Culturally Appropriate Family Support)	\$75,000	\$448,606	1/26/16	2019	2	Moderate Risk
19.	Reaching Families Advocacy and Support Group (Culturally Appropriate Family Support)	\$79,606	\$0	4/21/16	2019	2	Moderate Risk
20.	Disability Rights Texas (Stakeholder Training on Guardianship Alternatives)	\$40,000	\$8 million	4/27/16	2019	2	Moderate Risk



Number	Grantee	TCDD Fund Amount	Other Federal Fund Amount	Date of Last Onsite	Next Onsite Due By	Risk Activity	Risk Code
21.	Paso del Norte Children's Development Center	\$75,000	\$0	Does not apply	To be determined	1, 2	Moderate Risk
22.	Family to Family (Leadership Development and Advocacy Skills Training Project)	\$75,000	\$0	Does not apply	To be determined	1, 2	Moderate Risk
23.	Easter Seals Central Texas (Leadership Development and Advocacy Skills Training Project)	\$64,394	\$5.7 million	Does not apply	To be determined	1, 2	Moderate Risk
24.	EveryChild, Inc. (Developmental Disabilities Policy Fellows)	\$67,500	\$441,125	Does not apply	To be determined	1, 2	Moderate Risk
25.							Low Risk
26.	Imagine Enterprises (Outreach and Development)	\$10,000	\$725,000	Does not apply	Does not apply	Does not apply	Monitor and Accept
27.	Stipends	See stipend report in Tab 4 Financial Reports	Does not apply	Does not apply	Does not apply	Does not apply	Final Report Only

**Color Coded Blue grantees indicate additional monitoring strategies this quarter.**

\*Increased risk due to the number of sub-awards and no previous audit.

#### Risk Color Coded Key

- RED** — Extensive Risk Management (all levels of control plus audit)
- YELLOW** — Considerable Risk Management (most levels of control plus independent review by CPA)
- GREEN** — Moderate Risk (operating, monitoring controls, agreed upon procedures engagement by CPA)
- GRAY** — Low Risk (basic monitoring only)
- WHITE** — Monitor or Accept

#### Risk Activities Numbers Key

- 1 – New Grantee
- 2 – Awards within Award
- 3 – Funding Issues
- 4 – Compliance Issues
- 5 – Performance Issues
- 6 – Legal Actions
- 7 – Fiscal Office Out of State
- 8 – No Prior Audit

## TCDD Risk Matrix for Grants Monitoring Fiscal Year 2016

Risk Activities	Less than \$75,999 Award Amount	\$76,000 to \$199,999 Award Amount	\$200,000 to \$499,999 Award Amount	\$500,000 Plus Award Amount
1. New Grantee (i.e., no previous project or no project within 2 year period)	LH	MH	HH	HH
2. Awards within Award (e.g., consultants, presenters, sub-contractors, etc.)	LH	MH	HH	HH
3. Funding Issues (e.g., budget/procurement concerns, match, sustainability, etc.)	LM	LM	MM	HM
4. Compliance Issues (e.g., OMB, UGMS, TCDD policy, oversight issues, etc.)	LM	LM	MM	HM
5. Performance Issues (e.g., unmet goals, milestones, special conditions, etc.)	LM	LM	MM	HM
6. Legal Actions	LL	LL	ML	HL
7. Fiscal Office Located Out-Of-State	LL	LL	ML	HL
8. No Audit Prior To Grant Award	LL	LL	ML	HL

**Risk Matrix Color Coded Key:** 1<sup>st</sup> letter denotes impact; 2<sup>nd</sup> letter denotes probability.

**HM, HH** — Extensive Risk (all levels of control plus audit)

**MM, MH, HL** — Considerable Risk (most levels of control plus independent review by CPA)

**LH, ML** — Moderate Risk (operating/monitoring controls plus agreed upon procedures by CPA)

**LL, LM** — Acceptable Risk (basic monitoring only)

### Risk Management Plan Color Coded Key:

**RED** — Audit work performed and the Executive Director performs oversight via quarterly report\* provided to ensure supervisory and operating controls are working.

**YELLOW** — Department heads reporting to Executive Director perform oversight functions to ensure supervisory and operating controls are working.

**GREEN** — Department staff perform oversight functions to ensure supervisory and operating controls are working.

**GRAY** — Department staff perform basic oversight functions to ensure controls are in place.

### Annual Audit or Review Determination Color Coded Key:

**RED** — Red indicates areas to be audited or reviewed by independent CPA.

**YELLOW** — Yellow indicates areas to be covered through oversight, supervisory and operating controls with guidance from the contracted internal audit services provider.

**GREEN** — Green indicates areas to be covered through staff oversight with guidance from the contracted internal audit services provider as needed.

**GRAY** — Gray indicates areas to be covered through basic staff oversight and reporting.

**Grants Monitoring Exceptions Report provided to E.D. and Council quarterly for review. No risk activities means monitoring strategies will be performed at the lowest level under the award amount. NOTE: Risk Matrix reviewed annually with TCDD staff and Internal Auditor; updated when needed.**

## Monitoring Strategies Fiscal Year 2016

### Stipends (\$7,500 or less):

Website instructions  
Technical support (Budget Support Specialist)

Special Conditions (GMD letter)  
Review FROE and other reports submitted

### Mini-Grants (\$10,000 to \$24,999):

Orientation  
Technical support (Senior Specialist)  
RAR & Supplemental Report  
RAR Documentation Review — Six Months

Program Performance Review — Six Months  
Final Program Performance Report  
Approvals (e.g., dissemination, etc.)

### Level 1 — GRAY

Orientation  
Onsite Review — Initial  
Program Performance Review — Annual  
RAR Documentation Review  
Approvals (e.g., equipment, travel, speakers, etc.)

Project Advisory Committee Meetings  
Final Program Performance Report  
Other as determined necessary (e.g., audit desk review)

### Level 2 — GREEN

Orientation  
Onsite Review — Initial and 3<sup>rd</sup> year  
Program Performance Review — Quarterly  
RAR Documentation Review  
Approvals (e.g., equipment, travel, speakers, etc.)

Project Advisory Committee Meetings  
Final Program Performance Report  
Agreed upon Procedures Engagements CPA  
Other as determined necessary (e.g., audit desk review)

### Level 3 — YELLOW

Orientation  
Onsite Review — Initial, 3<sup>rd</sup> and 5<sup>th</sup> years  
Program Performance Review — Quarterly  
RAR Documentation Review  
Approvals (e.g., equipment, travel, speakers, etc.)  
Project Advisory Committee Meeting

Final Program Performance Report  
Independent Review by CPA — Annual (A-133 Audit at \$500k or more)  
Project Staff Meeting (1 time per year)  
Other as determined necessary (e.g., audit desk review)

### Level 4 — RED

Orientation  
Onsite Review — Initial and Annual  
Program Performance Review — Quarterly  
RAR Documentation Review  
Approvals (e.g., equipment, travel, speakers, etc.)  
Project Advisory Committee Meetings

Final Program Performance Report  
A-133 Audit — Annual (Independent under \$500k)  
Audit Desk Review — Annual  
Project Staff Meeting (2 times per year)  
Interim Program Performance Report

## Additional Monitoring Strategies for Grant Projects

To be selected and implemented on an as needed basis:

- Re-orientation,
- Add milestones or special conditions,
- Move up to the next level of monitoring (see above tables),
- Payment holds (reimbursement only no advance or no reimbursement and no advance),
- Require additional onsite reviews.